

Soviet Sales and Production of Platinum

Although Soviet sales of platinum to the Free World have increased in recent years, current sales seem insufficient either to produce significant foreign exchange for the USSR or to have any lasting effect on the market. The decline in the price of platinum from over \$100 per troy ounce in 1956 to \$90.49 per ounce in 1957 to a low of \$65-\$75 per ounce in recent months, perhaps evidences more the depressed world demand for platinum than any competition from Soviet sales. Indeed, the recent Soviet offerings of platinum at considerably less than the New York market price of \$72 seems less an indication of Soviet efforts to "break" the market than a desire to move the metal.

The doldrums into which the platinum market has fallen since the summer of 1957 are generally attributable to technological progress in the petroleum industry. The oil industry has succeeded not only in reducing the amount of catalyst (the major use of platinum) used in the production of high octane gas, but also in prolonging the life of installed catalyst by improving the cleanliness of their feed stocks. Other demands for platinum and its allied metals in fabricated form remain strong, but this strength is greatly overshadowed by the diminution of demand in the one major field. Western producers are actively carrying out research and development work to expand existing applications as well as the development of new uses. Most of these activities center upon the three principal characteristics of platinum which provide its

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potential usefulness--resistance to attack in electro-chemical operations, freedom from oxidation at high temperatures and catalytic activity.

It is likely, however, that a trough has been reached in demand and that some perceptible upward trend may well be near. Western platinum producers consider it likely that the growing interest which the Soviet petroleum industry is understood to be taking in the production of high octane gas and in the use of a platinum catalyst for this purpose will serve to limit offerings of Soviet platinum on Free World markets.

Table 1

Sino-Soviet Bloc Exports of Platinum and Platinum Group Metals
(in thousand \$ US)

	1957	1956	1955	1954	1953	1952
	<u>(Jan-Jun)</u>					
Total Sino-Soviet Bloc	6,076	30,087	28,850	8,482		
USSR	3,392	15,252	13,623	3,786		
Czechoslovakia	2,497	14,500	15,115	4,696		
Other Exporting Countries						
Canada	27,821	35,656	26,315	27,640	26,290	30,627
Union of South Africa	n.a.	22,448	20,238	19,099	17,010	12,174

Table 2

World Production of Platinum Group Metals
(troy ounces)

	1957	1956	1955	1954	1953	1952
Union of South Africa	609,065	491,270	388,753	344,428	306,143	238,662
Canada	409,362	311,600	384,746	343,706	303,563	279,724
USSR (Estimate)	125,000	125,000	125,000	100,000	100,000	100,000
Colombia	26,000	26,215	27,526	28,465	29,201	33,700
U.S.	18,531	21,398	23,170	24,235	26,072	34,409
World Total (Estimate)	1,190,000	980,000	950,000	850,000	775,000	700,000